

## STATEMENT OF PURPOSE

### RS20412

Many small Idaho companies are struggling to find the necessary capital to develop their innovations and grow their businesses. Federal grants can be a significant source of funding for these companies to finance the research and development that is often needed to get their innovation ready to commercialize. Yet, Idaho small businesses receive only a third of the small business grant awards the state should be receiving based on population and the number of small, tech-based firms in the state because companies are not submitting proposals in the numbers expected.

In an effort to determine the cause of this lack of proposal submissions, the Idaho Department of Commerce began to actively seek out innovative Idaho firms and discovered that a majority of these companies were either unaware of the federal grants, possessed inaccurate information, or were uninformed concerning how to participate in the programs. Many of the companies that did explore applying for a federal grant were intimidated by the difficult and time consuming process.

The purpose of this legislation is to establish a self-sustaining, on-going state grant program to assist and encourage small businesses to apply for and win federal grant awards and to use these federal funds to create new products to expand and grow their companies. Each state grant provided to businesses will be used to reimburse companies for expenses incurred in completing a grant proposal and encourage companies to submit competitive proposals. Requests for a state grant shall require the applicant to identify the agency and topic it is interested in applying for, describe in detail its innovation, and provide any other information as required by the Department of Commerce in its selection process.

To create a self-sustaining, on-going state grant program, small businesses that accept a state grant resulting in winning a federal grant award will agree to repay the grants and help replenish the state grant fund. By creating a consistent, sustainable state fund, Idaho will establish a program that small businesses can count on. Idaho will build on grant award momentum from prior years and encourage companies to follow the proven strategy to maximize their chances of winning a federal grant award.

### FISCAL NOTE

General Fund and dedicated fund monies for the Idaho Small Business Assistance Fund are contingent upon an appropriation by the Joint Finance and Appropriations Committee. The creation of an Idaho Small Business Assistance Fund would enable monies to be accepted via grants, private donations, and contributions from companies who have succeeded in obtaining federal grants and wish to replenish the fund.

**Contact:**

**Name:** Representative Brian Cronin

**Office:**

**Phone:** (208) 332-1130

**Statement of Purpose / Fiscal Note**

**H0181**